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IN THE

Supreme Court of the United States

OCTOBER TERM, 1963.

No. 554

POPEIL BROTHERS, INC.,

Petitioner,

vs.

KARL ZYSSET AND NEW-NEL KITCHEN PRODUCTS COMPANY,

Respondents.

PETITION FOR REHEARING OF DENIAL OF PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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WINSTON, STRAWN, SMITH & PATTERSON;
DOMS, McDOUGALL & HERSH,
Of Counsel.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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Petitioner respectfully requests a rehearing of its Petition for Certiorari, denied by the Court's order of February 17, 1964, Justice Douglas noting his view that the writ should issue.

To refresh the Court as to the nature of the case: Petitioner contends, *first*, that the Court of Appeals for the Seventh Circuit has promulgated a new, weakening doctrine as to patents, namely, that a patent on a combination of old elements may be held valid without a finding by the Patent Office, the District Court, or the Court of Appeals that the elements, when combined, interact and achieve a new function. Heretofore such a finding has been the *sine*

qua non for a valid combination patent (*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corporation*, 340 U. S. 147 (1950)). The essence of the opinion is that if the *structure* is unique, i.e., if no one before has put the particular assortment of elements into a single structure, it is patentable even though the elements operate independently of each other and do no more when so aggregated than they did separately. Petitioner contends, *secondly*, that the $636,000 damage award, which gives the patentee a recovery far beyond any losses he sustained notwithstanding that no exemplary damages were awarded, is an egregious and oppressive misconstruction of the 1946 "adequate to compensate" patent damage statute, which has never been construed by this Court. On both points (and subsidiary questions) there is irreconcilable conflict between circuits and between decisions of this Court and the decision of the Seventh Circuit review of which is sought.

GROUNDS FOR REHEARING

I. Subsequent to the filing of the Petition for Certiorari, the Court of Appeals for the Sixth Circuit decided *Holstensson v. V-M Corporation*, 325 F. 2d 109, which is in irreconcilable conflict with the instant case on the standard of patentability applicable to patents that seek to combine elements which in combination perform only their conventional individual functions. In *Holstensson* the Sixth Circuit held *invalid* a combination patent which had been held *valid* in our Seventh Circuit by the same District Court (150 F. Supp. 441) that held the patent at bar valid. Petitioner, by special motion, brought the *Holstensson* decision to this Court's attention before its divided vote as to whether certiorari should issue in the instant case.

However, at the time petitioner brought the *Holstensson*

decision to this Court's attention, a petition for rehearing in *Holstensson* was still undisposed of by the Court of Appeals for the Sixth Circuit.

2. On January 27, 1964, the Court of Appeals for the Sixth Circuit denied rehearing in the *Holstensson* case.

3. The Sixth and Seventh Circuits thus now stand in final and complete irreconcilability on a question of deepest importance.

4. A petition for certiorari in the *Holstensson* case will be lodged with this Court on or before April 27, 1964 (See appended copy of affidavit; original of which has been filed with the Clerk with this petition).

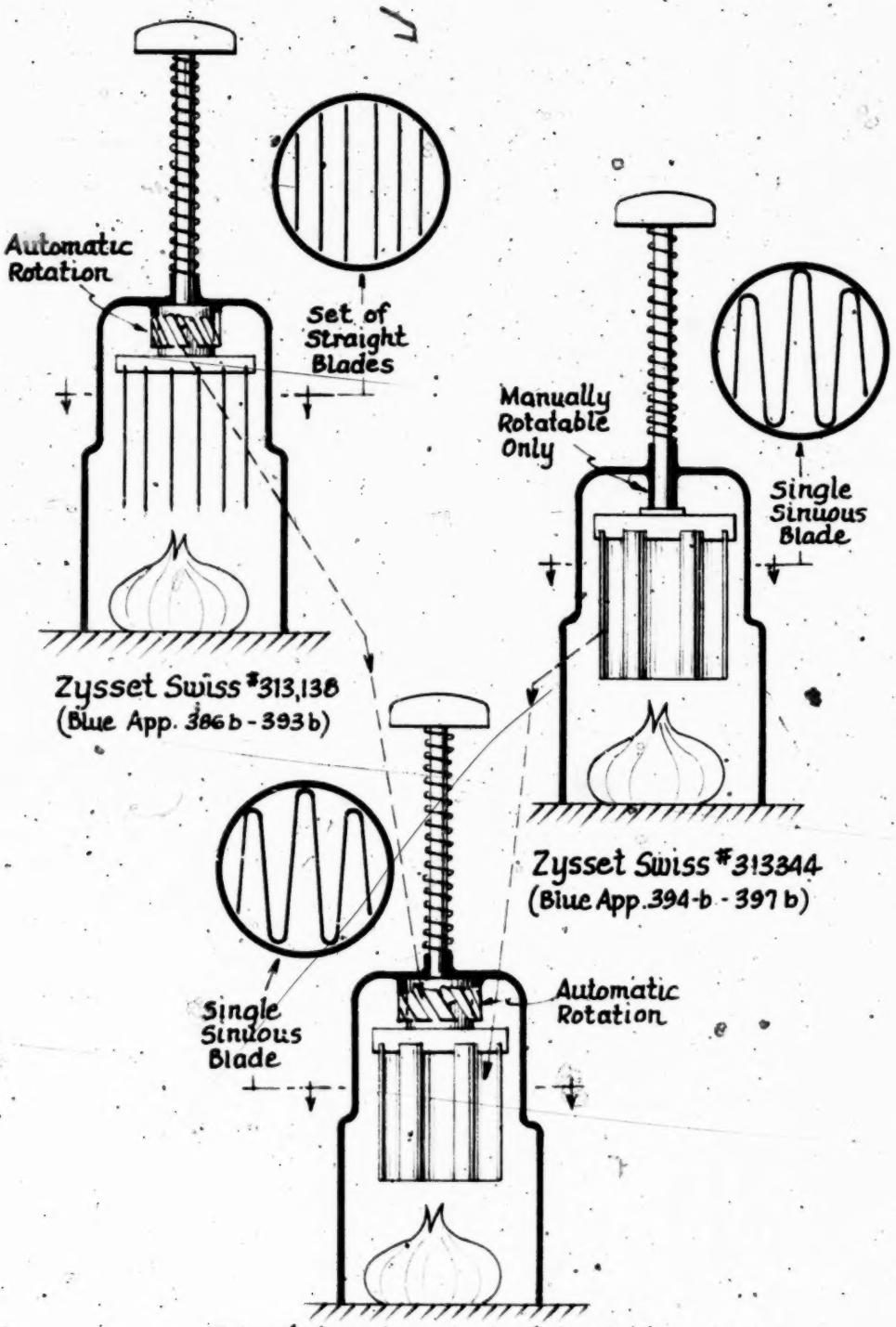
5. The filing of the *Holstensson* petition in this Court (and brief in opposition) will demonstrate, conclusively we suggest, that sufficient members of the Court should reconsider their positions and bring about a granting of the writ here, because:

(a) If the *Holstensson* petition be *denied* on the grounds that it is in accord with applicable decisions of this Court, such a denial necessarily would demonstrate that the instant decision has created a doctrine in conflict with those decisions. Forum shoppers holding questionable combination patents, noting a denial of certiorari in both *Popeil* and *Holstensson*, would inevitably flock to the Seventh Circuit.

(b) On the other hand, if the *Holstensson* petition be *granted* because on its face (325 F. 2d at 125) it shows a conflict between the Sixth and Seventh Circuits, and should the *Holstensson* decision be affirmed, it would be an intolerable miscarriage of justice if the instant case, with its crushing damage award, were allowed to stand unreversed, for if *Holstensson* is right, *Popeil* is grossly wrong. It would be shocking if the correct decision should be affirmed but the erroneous decision which does the evil to the patent system, and to the litigant, were permitted to stand.

6. The conflict between the Sixth and Seventh Circuits reflects utterly incompatible philosophy. In *Popeil* a combination patent was sustained by the Seventh Circuit simply because it was a "combination", not because "any particular element thereof, *per se*" was patentable (318 F. 2d at 704); or, as the Court put it in its first opinion, it was sustained simply because "none of the prior art references disclose in combination the *structure* of the patent" (276 F. 2d 357). In *Holstensson*, by contrast, the Sixth Circuit held a combination patent invalid because it found that the novelty in one feature thereof, although admittedly of patentable stature standing alone (325 F. 2d at 120), was confined to but one part of the combination, the other elements of which performed no new or interacting function in the claimed combination. Plenary consideration of *Holstensson* side by side with the case at bar will demonstrate how irreconcilable the cases are.

7. The division within this Court in its original action on the petition for certiorari herein has caused us to review our papers, and to conclude we were woefully deficient in not demonstrating, simply and graphically, that patentee Zysset's own prior applications on his device in his homeland, Switzerland, reveal conclusively the absence of interaction between the elements of his so-called combination. We set forth now, in this petition, simplified drawings from the patents which Zysset applied for in Switzerland before making his American application. These show that the rotation feature of the chopper is wholly unrelated to the shape of the blade employed: the parts, because they do not interact, *are freely interchangeable* and *were* so interchanged in Switzerland! In Switzerland Zysset applied (Blue App. 386b *et seq.*) for one patent on his automatic rotation device (Claim 1 at bar) and for a separate patent (Blue App. 394b *et seq.*) covering a single sinuous blade (asserted to be cheaper to make than


Automatic Rotation
Set of Straight Blades
Zysset Swiss #313,138
(Blue App. 386 b - 393 b)
Manually Rotatable Only
Single Sinuous Blade
Zysset Swiss #313344
(Blue App. 394-b - 397 b)
Single Sinuous Blade
Automatic Rotation
Zysset American Patent in Suit

a set of straight blades), (Claim 2 at bar). In his automatically rotating Swiss chopper he used *straight* blades with a straight slotted wiper cup. In his other Swiss chopper which was manually rotatable only, he used a single *sinuous* blade with a similarly configured wiper cup.

7a. In this country Zysset filed but a single application. He selected the rotation mechanism from his Swiss Application No. 313138 and the sinuous blade from his Swiss Application No. 313344. The selection was a mere matter of choice rather than functional achievement. As the sketches on the opposite page show, by selecting these elements (both separately old and unpatentable in this country, as the Seventh Circuit confesses), he did not achieve, *nor even claim to achieve*, any new function from uniting them into a single structure. The undisputed testimony of former Commissioner of Patents Kingsland is that no new function could possibly be accomplished by the aggregation of these unrelated parts (App. 70a).

7b. The drawings, we submit, make clear the extent of the Seventh Circuit's inroad into the legal standard of invention.

8. As to the damage question, we have nothing to offer beyond our original argument that the patent damage statute of 1946 is a highly important federal statute which has not been, but should be, construed by this Court for it should not be held to authorize the punitive judgment of $636,000 entered by the Court of Appeals as opposed to the District Court's judgment of $126,000 and attorney fees.

WHEREFORE, Petitioner prays that disposition of this petition for rehearing be considered in conjunction with disposition of the petition for certiorari which will be filed for review of the decision of the Court of Appeals for the Sixth Circuit in *Holstensson* v. *V-M Corporation*; that upon such consideration a rehearing be granted and a writ

of certiorari issue to the Court of Appeals for the Seventh Circuit as prayed in the Petition for Certiorari herein.

It is respectfully suggested that the patent system inevitably will fall into chaos if important circuits are permitted to stand in irrefragable conflict, not on facts, but on basic rules as to patentability. We appreciate that the pressure of events has compelled this Court to accept much public litigation and to deny certiorari in most private cases. Operation of the patent system is public business of the highest order, yet it can be supervised by this Court only through private litigation. This case, on the merits, presents the question of whether standards of patentability set by this Court may be eroded away by Courts of Appeal which do not even purport to make the finding which this Court has said is the *sine qua non* for a holding of invention in a combination patent. In these days of tremendous industrial research, the issue is one of deep public importance. Likewise, the issue as to the meaning of the "new" damage statute, which has gone without construction by this Court for eighteen years, is one which is ripe for definitive decision.

Respectfully submitted,

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OOMS, McDOUGALL & HERSH,
Of Counsel.

Certificate.

George B. Christensen certifies that the foregoing Petition is presented in good faith and not for delay, and is restricted to the intervening circumstances of the denial of rehearing in the conflicting *Holstensson* case, the fact that a petition for certiorari will shortly be before this Court in that case and to a graphic chart which the undersigned and other counsel of record failed to present to the Court in the Petition for Certiorari.

George B. Christensen.

Certificate of Service.

George B. Christensen certifies that the within Petition for Rehearing was served upon counsel for respondents by mailing copies to them this 6th day of March, 1964, postage duly prepaid, addressed as follows:

Albin C. Ahlberg,
3440 Board of Trade Building,
Chicago, Illinois, 60604,
Attorney for Karl Zysset.

Warren C. Horton,
Marshall W. Sutker,
208 South LaSalle Street,
Chicago, Illinois, 60604,
Attorneys for New-Nel Kitchen Products Company.

APPENDIX.

IN THE SUPREME COURT OF THE UNITED STATES.

October Term, 1963.

No. 554.

POPEIL BROTHERS, INC.,

Petitioner,

vs.

KARL ZYSSET and NEW-NEL KITCHEN PRODUCTS COMPANY,

Respondents.

AFFIDAVIT OF DUGALD S. McDOUGALL IN SUPPORT OF PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI.

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

DUGALD S. McDOUGALL, being first duly sworn, depóses and says that:

1. Affiant is an attorney at law, a member of the Bar of this Court, having his office at 135 South LaSalle Street, Chicago 3, Illinois, and is one of the attorneys for petitioner in this cause.

2. *Holstensson et al.* v. *V-M Corporation* (6 Cir., 1963),

325 F. 2d 109, was an appeal from a judgment of the United States District Court for the Western District of Michigan (198 F. Supp. 779), wherein claim 1 of United States Letters Patent No. 2,291,158, relating to a particular type of automatic record changer, was held valid and infringed. In its *Holstensson* opinion, filed November 21, 1963, the Court of Appeals for the Sixth Circuit reversed the judgment below and held the patent claim in suit invalid (325 F. 2d, at 126). A timely petition for rehearing was denied on January 27, 1964.

3. The identical patent claim thus held invalid in the Sixth Circuit was previously adjudged valid and infringed in the Northern District of Illinois (*Holstensson* v. *Webcor, Inc.* (N. D. Ill., 1957), 150 F. Supp. 441).

4. The principal attorney for Axel Harald Holstensson and Glenville Industries, Inc., plaintiffs in the aforementioned case of *Holstensson et al.* v. *V-M Corporation*, is Donald J. Simpson, of 53 West Jackson Boulevard, Chicago 4, Illinois. The said Simpson advised affiant, on March 3, 1964, that: (a) His clients have instructed him to prepare and file in this Court a petition for writ of certiorari, to review the judgment of the Sixth Circuit Court of Appeals in the *Holstensson case*; (b) such petition is now in course of preparation; and (c) it will be on file in this Court within the period prescribed by law, i.e., before April 27, 1964.

DUGALD S. MCDOUGALL.

Subscribed and sworn to before me this 4th day of March, 1964.

WILLIRVA FELLOWS,

(NOTARIAL SEAL) *Notary Public.*